

# Fascist Italy

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How well did the liberals deal with Italy's economic problems?

- Problems
- 1) Mainly agricultural and inefficient at that
- "Italiotta" -> small scale primitive agriculture
- inefficient methods and equipment
- Low productivity
- E.g : farmers consume 40% of his own crop
- Weak Europe competitors
- 2) Small scale industry
- only 13% of workers employed in industry
- Lack of raw materials ... esp coal and oil
- Which are important for expansion
- they have to buy this from Britain
- Massively expensive
- 8% more than Britain
- companies = small
- Small labor force (refer to stats)
- Only 13% in 1871 were part of the Industry
- No industrial workers in Sicily
- poor transport
- Low productivity
- Weak existing companies
- 3) South's problems
- Agricultural and non- productive
- Lags behind north and barriers progress
- "Millstone around Italy's neck"
- Barriers progress ^ (linked!)
- "Latfundia" --- Poor land
- Peasants work on massive land called Latfundia
- Poor transport
- Result = low productivity
- 4) Debt and its burden
- A result of foreign policy (Adowa)
- 1876 - Italy clears all of its debt
- 1896 - Adowa leads to a budget deficit of 36 million liras
- Cuts on investment in industry, agriculture
- Barrier to economical improvement -.without solving debt it is impossible to solve others

- THIS THEN LEADS TO PRESSURE!
- Pressure
- 1) Liberals are unpopular with people
- no money for the government to give social reform
- E.g... wealth
- Leads to poor living standards
- Makes people unhappy
- Thus liberals need to address it
- 2) Growth of political opposition
- Radical Catholics and socialists
- Want to improve living standard
- Unhappy people support them
- 1895 Italian social party founded
- A threat to liberals power!
- THIS ALL LEADS ON TO A SOLUTION/S ...
- Solutions
- 1) Debt
- new taxes and increased taxes
- extra 100 million lire per year
- Foreign affairs quiet until 1911 - no drain on expenditure
- :) taxes surplus by 1899...
- :) money for economic expansion
- :( short term = massive unrest 1898
- 1897 harvest fails
- Therefore, prices increase
- + new taxes means that not all can afford to buy bread
- Riots in Milan - 80 DEAD - Tough medicine
- :) Tripoli returns to debt and its burden
- 1912 - Budget deficit - 250 million Lire
- 2) Industry
- With the money raised from taxes, the government is able to fund HEP
- Hydro electric power
- Cheaper production of electricity ... Companies = competitive business
- Government subsidizes -> big companies
- 1900 Italian government orders 4 new battle ships
- 1 from each of the major ship builders
- E.g ILVA steel
- - ^ huge co-orperation
- Result, companies... get BIGGER!
- ILVA, Ansaldo, Fiat
- Key facts
- Hydro electric power (Kilo watts)
- 1898 -----50,000

- 1911 -----500,000
- 1914 -----1,000,000
- Rails and roads improved ^
- 1900-1907 spending on roads 50% up |
- 100 new trains built
- 25,000 carriages
- Industrial production expands and develops
- New companies /Industries
- -> E.g Fiat ... founded in Tunisia
- Foreign trade increase
- 1896 -----11.2 billion
- 1908 -----20.6 billion
- 1913 -----22.1 billion
- Still "Italiotta" -> Small scale
- Little change in the south
- Most industry in industrial triangle
- :( little change in South
- 1896 - Italy's importing 4 million tonnes of coal
- By 1914 it goes to 11 million
- Shows that need has increased ( Industrialization) :) But... still very expensive
- :C ---> Still needs raw materials
- "One should not exaggerate Italy in 191, it was still Italiotta, an agricultural economy, and her most important industry was still cotton. Even so, the industrial expansion of 1896 - 1908 was impressive" M.Clarke 1871-1995 (1996)
- - Agricultural
- Investments in industry benefited agriculture
- New fertilisers... new tractors
- Schools of agriculture... (to teach how to use new equipment?)
- Land reclamation ---> draining marsh land
- 60% of cost covered by state
- WHEAT production INCREASES!
- :( improvement limited to the north
- - Agricultural quadrilateral?
- 2/3's of cows in Agricultural quadrilateral
- 40% of wheat in AQ
- Was the south neglected?
- In short... Italian agriculture underwent great change in a period
- Conclusion!
- 1914... economy has improved by 1914
- Standard of living increases...
- Social reform 1910
- Moderate socialists= pleased
- :( but improvement was limited

- Southern problem
- Debt return time after time... return again in 1912 ... Libya
- Still weak in Europe
- Extremists are not happy
- Think government could have done more
- People really happy? Red week?
- 1914 ; strikes and riots ...
- Bieno Rosso:1919-1920